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HUNTINGTON EXPLORATION INC.

2001
ANNUAL REPORT

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Corporate Profile

Huntington Exploration Inc. is in the business of mineral exploration and development in Canada. The shares of Huntington are listed on the TSX Venture Exchange and trade under the symbol "HEI".

Corporate History

Huntington Exploration Inc. (the Company) was incorporated as 676182 Alberta Ltd. under the laws of Alberta by Articles of Incorporation dated November 28, 1995. On February 1, 1996 the Company changed its name to Goldust Mines Ltd. and subsequently, on July 18, 1997 changed its name to Huntington Exploration Inc. The Company adopted the French name equivalency of Exploration Huntington Inc. on the same date. Pursuant to an agreement between the Company and Croinor Explorations Inc., the Company purchased a portfolio of 12 mineral properties in Canada. The acquisition, which closed on March 29, 1996, included a 50 percent interest in the Croinor gold property located near Val d'Or, Quebec. On April 14, 1996 the Company acquired the remaining 50 percent interest in the Croinor property from Cambior Inc. From mid-1996 through to the spring of 1997, the Company completed a 50,000 ton open pit bulk sampling project on the Croinor property, producing 5,332 ounces (oz) of gold. The principal Croinor gold property has been under option to South-Malartic Explorations Inc. since August 1997. Having spent a total of \$1,500,000 in exploration on the property, South-Malartic earned a 70% interest in the Croinor property effective January 31, 2002.

Notice of Annual General Meeting

Shareholders are invited to attend the Annual General Meeting on Tuesday, June 18, 2002 at 11:00 a.m. in the Hamilton Room of the Bow Valley Square Conference Center, Third Floor, 205 - 5 Avenue S.W., Calgary, Alberta.

Report To Shareholders

During the past eighteen months many technical analysts have forecast that an important bottom in the price of gold has been reached. This has brought renewed optimism to the gold exploration and development industry. The majority of Huntington's inventory of mineral holdings consists of properties with gold resources or gold potential.

Croinor Property

The Croinor gold property was the principal focus of activity for Huntington in 2001. Effective January 31, 2002, South-Malartic Exploration earned a 70% interest in the property by incurring exploration expenditures of \$1,500,000 under the terms of the 1997 option agreement. Huntington holds the remaining 30% interest plus a royalty on the South-Malartic 70% interest, which varies from a minimum 1% to maximum 3% net smelter return depending on ore grade and gold price.

Significant progress has been made in defining the gold resource established on the Croinor property through this exploration, which has led to an updated resource evaluation study compiled by the consulting firm of Geostat International Inc. This study has confirmed the following resource figures released by South-Malartic in February 2002.

Resource Category	Tonnage	Grade	Gold
	(metric)	(Au g/t*)	(ounces)
Measured	3,325,969	2.25	240,598
Indicated	1,260,053	1.93	78,188
Inferred	2,524,385	2.46	199,656

* Gold grams/tonne

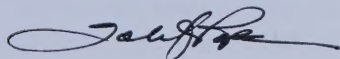
The evaluation covers a strike distance of 7,000 feet east to west and 1,800 feet north to south. Interpolation covers up to 1,500 feet vertically; however, the majority of the resources are located in the interval between the surface and a depth of 350 feet. A resource cut-off grade of 0.5 gram per tonne was used for the tonnages between surface and a depth of 500 feet and 1.0 gram per tonne cutoff grade for the tonnages below 500 feet. The Croinor project may prove amenable to low-cost open pit mining. Huntington and South-Malartic are continuing to work at the Croinor property on a joint-venture basis with continuing exploration carried out over the past few months and additional work planned for the summer of 2002. The Croinor property remains our principal asset with significant gold resources and potential for further exploration to increase the resources.

Other Properties

No further exploration expenditures, other than holding costs, were incurred during 2001 on the Company's remaining eight mineral exploration properties located in Quebec, Ontario, Nova Scotia and the Northwest Territories.

Throughout 2001, the Company continued to seek industry partners to option the Company's remaining properties in order to have further exploration and development conducted to increase their value. In addition, Huntington has actively sought out other opportunities for the enhancement of the Company's operations.

On behalf of the Board,



John A. Pope, P.Eng.
President
May 7, 2002

Review of Mineral Properties

Huntington has nine mineral properties in Canada, all of which have undergone geological investigations ranging from grassroots to extensive in previous years. The Company's principal and most active property is the Croinor gold property in Quebec.

Croinor Property, Quebec

The Croinor gold property is located approximately 55 kilometres east of Val d'Or, Quebec and consists of a 30% interest in 237 claims. The Croinor property has been explored intermittently over the years, both from the surface and underground, commencing in 1944 and continuing through to 1996 when an open-pit 50,000-ton bulk sampling project was undertaken by the Company. The bulk sampling was completed in 1997, yielding 5,332 oz of gold. The majority of the ore was processed through the AurBel Mill near Val d'Or which yielded a 97% gold recovery. The overall grade of the bulk sample was 2.94 grams per tonne (g/t), which is equivalent to 0.095 oz/ton.

In August 1997, the Company entered into an option and joint venture agreement with South-Malartic Explorations Inc. which had the right to earn a 70% interest by incurring total exploration expenditures of \$1,500,000 over a fixed period. Pursuant to the agreement, South-Malartic earned in the property (133 claims) effective January 31, 2002. Huntington retains a 30% interest and a royalty on the South-Malartic 70% interest, which varies from a 1 to 3% net smelter return depending on ore grade and gold price. During the year an additional 104 claims were acquired adjoining the Croinor property in which Huntington holds a 30% interest. In February 2002, South-Malartic announced the results of an updated resource evaluation which has been confirmed by the consulting firm of Geostat International Inc. They emphasize that the deposit is open at depth and along strike. The calculations were carried out using state of the art geostatistical methodology and categorized as follows:

Resource Category	Tonnage	Grade	Gold
	(metric)	(Au g/t)	(oz)
Measured	3,325,969	2.25	240,598
Indicated	1,260,053	1.93	78,188
Inferred	2,524,385	2.46	199,656

The gold mineralization is mainly associated with pyrite, located in shear zones, tension fractures perpendicular to the shearing and breccia zones, all of which occur within an altered diorite intrusive sill. The Croinor deposit contains a substantial resource that has been outlined near surface and overlain by shallow overburden. According to the Geostat report the project may prove to be amenable to low cost open pit mining. Huntington and South-Malartic are continuing on a joint basis to work at the Croinor property with further exploration planned for the summer of 2002.

Tex-Sol, Quebec

The Tex-Sol gold property is located approximately 18 kilometres east of Val d'Or, Quebec. The property, (100% Huntington), consists of 10 claims covering an area of approximately 600 hectares. The Tex-Sol Property is located within the same Greenstone Belt as past and producing mines in the general area.

El Sol Gold Mines Ltd. initially explored the Tex-Sol property from 1946 to 1948. The property remained inactive until 1986 when Dominion Explorers Inc. evaluated the grounds with geological mapping, ground geophysical surveys and 16 diamond drill holes. Further exploration was conducted in 1998 by Aur Resources Inc., which had the Tex-Sol property under option from the Company. Aur incurred expenditures in excess of \$200,000. Potential exists to discover economic mineralization within the sector that lies down plunge from the known ore at the adjacent Louvicourt Goldfield.

Macassa Creek/Missing Lake, Mishibishu Lake Area, Ontario

These properties are located approximately 80 kilometres southeast of the Hemlo Gold Mines in the Mishibishu Lake area, Ontario. The Macassa Creek property, (100% Huntington), is comprised of 24 claims which are subject to a 1.5% net smelter return. These claims were part of an option to Noranda Exploration Co. Ltd. between 1988 and 1990. The Missing Lake property is located along the same geological Greenstone Belt as Macassa Creek and consists of 13 claims (100% Huntington in 12 claims, 50% in 1 claim). During the period May 1996 to May 2000, both the Macassa Creek and Missing Lake properties were under option to Murgor Resources Inc. Murgor incurred \$400,000 in exploration expenditures on the Company's property, which included defining the gold bearing potential of the Dorset Zone, which had been traced for three kilometres near the centre of the property. Further work by Battle Mountain Canada Ltd. on the adjoining Murgor lands further explored the Dorset Zone.

West Gore, Nova Scotia

The West Gore Property (100% Huntington), is located in Hants County and is comprised of 16 claims of which 12 are subject to a 10% net profits interest. The area has been explored and exploited for antimony and gold since the discovery of the main deposit in the early 1880s.

Fairbank, Ontario

The Fairbank Property is located near Sudbury. The Company's 100% interest in the property was transferred to Falconbridge Limited in 1989. Falconbridge is required to pay an advance royalty payment to the Company of \$5,000 per year until the year 2008. The Company will receive a 2% net smelter return royalty from any future production on the property. The property contains the potential for large deep nickel deposits.

Sturgeon Lake, Ontario

The Sturgeon Lake Property is located near Thunder Bay. The Company has a 33% interest in this 80-claim property, which is operated by Inmet Mining Corporation.

Cape Smith, Quebec

Energold Minerals Inc. is the operator of this property located on the north end of the Ungava Peninsula. Huntington holds a 13% interest in the Cape Smith Property. Marginal nickel-copper mineralization has been found on this property.

Labine Point, NWT

The Company holds a 50% interest in three mining leases at Labine Point, Great Bear Lake, NWT, under lease to 2002. Falconbridge Ltd., as operator of the leases, holds the remaining 50 percent interest. Over the period 1974 to 1981, Echo Bay Mines Ltd., which owned and operated the adjoining Eldorado Silver-Uranium Mine, optioned the property and carried out exploration consisting of geophysics and diamond drilling.

Management's Discussion & Analysis

The Company continued throughout 2001 to conserve cash resources, to keep overhead to a minimum and not to incur any exploration expenditures other than lease and claim renewal and maintenance costs, on its own properties. The principal mineral exploration activity for the Company in 2001 occurred on the Croinor gold property, which has been under option to South-Malartic Explorations Inc. since August 1997. South-Malartic had the option to spend \$1,500,000 on exploration over a fixed period to earn a 70% interest. South-Malartic earned an interest in the Croinor property effective January 31, 2002. The Croinor property is the Company's most significant holding and is expected to continue to contribute to the future growth and benefit of the Company.

Revenue and Expenses

Revenue for the twelve months ended December 31, 2001 was \$23,079, compared to revenue of \$32,472 in 2000. Funds used in operations were \$104,223 or \$0.01 per share for the period compared to \$115,527 or \$0.01 per share for the prior year, while the loss was \$89,462 or \$0.01 per share in the year 2001 compared to \$149,548 or \$0.01 per share in 2000. Management has decided that a contingency no longer exists in respect to a note payable and accordingly that amount has offset expenses for the year.

Total expenses for the year were \$112,541 (\$182,020 in 2000). Mining exploration costs were \$23,403 (\$27,136 in 2000). Depreciation on office and other equipment was \$3,353 (\$4,790 in 2000). General and administrative expenses were \$103,899 (\$120,863 in 2000) and consisted mainly of consulting fees, share transfer services and office expenses. The write-down on investments was nil (\$29,231 in 2000).

Financial Position

At the end of the year, the Company had \$290,869 (\$394,676 in 2000) in cash and short-term deposits and \$125,039 (\$125,039 in 2000) in marketable securities.

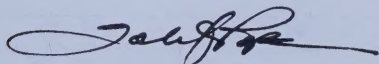
Management's Report

The accompanying financial statements of Huntington Exploration Inc. have been prepared by management in accordance with generally accepted accounting principles.

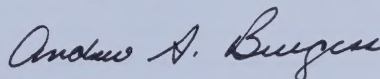
The Company's accounting procedures and related systems of internal control are designed to provide reasonable assurance that its assets are safeguarded and its financial records are reliable. Management is satisfied that these financial statements have been prepared accordingly and within reasonable limits of materiality. Further, management is satisfied that the financial information through the balance of this report is consistent with the information presented in the financial statements.

KPMG, independent auditors, have been appointed by the shareholders of Huntington. They have examined the financial statements of the Company for the year ended December 31, 2001 and the auditors' opinion is expressed herein.

The Audit Committee have reviewed these statements with management and the auditors have reported to the Board of Directors. The Board of Directors have approved the financial statements.



John A. Pope, P.Eng.
President and
Chief Executive Officer



Andrew S. Burgess, C.A.
Vice President and
Chief Financial Officer

Auditors' Report to the Shareholders

We have audited the consolidated balance sheets of Huntington Exploration Inc. as at December 31, 2001 and 2000 and the consolidated statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants
Calgary, Canada
January 14, 2002

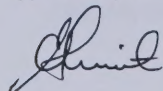
Consolidated Balance Sheets

December 31, 2001 and 2000

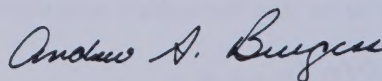
	2001	2000
Assets		
Current assets:		
Cash and short-term deposits	\$ 290,869	\$ 394,676
Investments (market value 2001 - \$155,370; 2000 - \$125,039)	125,039	125,039
Accounts receivable	5,187	5,829
	421,095	525,544
Mineral properties (note 3)	789,541	871,901
Capital assets (note 4)	7,824	11,177
	\$ 1,218,460	\$ 1,408,622
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 13,087	\$ 10,673
Note payable	—	103,114
Provision for site restoration	66,000	66,000
Shareholders' equity:		
Share capital (issued 10,510,392 shares) (note 6)	4,481,920	4,481,920
Deficit	(3,342,547)	(3,253,085)
	1,139,373	1,228,835
Future operations (note 2)		
	\$ 1,218,460	\$ 1,408,622

See accompanying notes to consolidated financial statements.

Approved by the Board:



Director



Director

Consolidated Statements of Operations & Deficit

Years ended December 31, 2001 and 2000

	2001	2000
Revenue:		
Investment income	\$ 23,079	\$ 32,472
Expenses:		
General and administrative	103,899	120,863
Write-down of mineral properties	85,000	—
Mineral exploration costs	23,403	27,136
Write-down of investments	—	29,231
Reversal of note payable	(103,114)	—
Depreciation	3,353	4,790
	112,541	182,020
Net loss for the year	(89,462)	(149,548)
Deficit, beginning of year	(3,253,085)	(3,103,537)
Deficit, end of year	\$ (3,342,547)	\$ (3,253,085)
Loss per share — basic and diluted	\$ (0.01)	\$ (0.01)

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Years ended December 31, 2001 and 2000

	2001	2000
Cash flow provided by (used in) operating activities:		
Net loss for the year	\$ (89,462)	\$ (149,548)
Items not involving cash:		
Depreciation	3,353	4,790
Write-down of mineral properties	85,000	—
Write-down of investments	—	29,231
Reversal of note payable	(103,114)	—
Funds used in operations	(104,223)	(115,527)
Changes in non-cash working capital:		
Accounts receivable	642	(541)
Accounts payable and accrued liabilities	2,414	(6,089)
	(101,167)	(122,157)
Investments:		
Option payment received on mineral properties	—	10,000
Mineral properties	(2,640)	—
	(2,640)	10,000
Decrease in cash and cash equivalents	(103,807)	(112,157)
Cash and cash equivalents, beginning of year	394,676	506,833
Cash and cash equivalents, end of year	\$ 290,869	\$ 394,676
Cash and cash equivalents is comprised of:		
Cash	\$ 7,272	\$ 27,213
Short-term deposits	283,597	367,463
	\$ 290,869	\$ 394,676

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Years ended December 31, 2001 and 2000

1. Incorporation:

The Company is incorporated under the laws of the Province of Alberta.

2. Significant accounting policies:

(a) Future operations:

The Company has a reasonable expectation that it has adequate resources to continue for the foreseeable future, and accordingly, these financial statements have been prepared on a going concern basis, although additional capital and further business development will be required to achieve profitable operations and positive cash flows on a commercial scale.

(b) Investments:

Investments are stated at the lower of cost and market.

(c) Mineral property interests:

Costs of acquiring mineral properties are deferred until either commercial production is established or the property is abandoned; at that time the costs will be either amortized on a unit of production basis or fully charged to operations.

Proceeds from sale of properties and earn-in arrangements in which the Company has retained an economic interest are credited against property costs and no gain is recorded until all costs have been fully recovered. Periodically, a determination is made by management as to the status of each property. Where a property shows no promise from prior exploration results and is dormant, the claims may be allowed to lapse. At management's discretion, the properties or costs are written off or written down to a nominal value where an interest in claims remains. Management also periodically determines if an exploration property is impaired and whether the carrying value of such property should be written-down and whether exploration costs incurred should be charged against earnings rather than being deferred.

Amounts recorded for mineral properties represent costs incurred to date, net of writedowns, and are not intended to reflect present or future values. The recoverability of amounts shown for mineral properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

(d) Capital assets:

Capital assets are stated at their cost. Depreciation is provided by the declining balance method at 30% per annum.

(e) Provision for site restoration:

The provision relates to the Croinor property and is the total estimated liability to restore the site.

(f) Loss per share:

Loss per share is calculated based on the weighted average number of shares outstanding during the year.

(g) Cash and cash equivalents:

Cash and cash equivalents is defined to include short term deposits with maturities less than 90 days.

(h) Income taxes:

Income taxes are accounted for using the asset and liability method whereby future income tax assets and liabilities are recognized for the future income tax consequences attributable to temporary differences between the financial statement carrying amounts of assets and liabilities and their respective income tax basis. Future income tax assets and liabilities are measured using tax rates expected to apply when the asset is realized or the liability settled.

(i) Measurement uncertainty:

The amounts recorded for depreciation of capital assets, the provision for future site restoration, write down on mineral properties and write down on investments are based on estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

3. *Mineral properties:*

Mineral properties consist of the following:

Property	2001	2000
Croinor	\$ 646,901	\$ 646,901
Tex-Sol	100,000	100,000
West Gore	25,000	25,000
Macassa Creek	—	50,000
Missing Lake	17,640	50,000
	\$ 789,541	\$ 871,901

The Company has interests in the following properties:

(a) Croinor Property, Pershing Township, Quebec:

The Company owns a 100% interest in 133 mineral claims, which reverted to a 30% interest effective January 31, 2002 pursuant to an option agreement respecting the property. Five of the claims are subject to a 10% after-payout non-contributing interest, 92 claims are subject to an advance royalty payment of \$15,000 annually until commercial production on the claims has been achieved and thereafter subject to a 15% after pay-out net profit interest with minimum payments of \$15,000 annually, and subject to a 5 percent carried interest and 36 claims are subject to a net smelter return of 1.5%. The 70% interest held by South-Malartic is subject to a net smelter return payable to the Company which can vary between 1% and 3% depending on ore grade and gold price. During 2001 the Company acquired a 30% interest in an additional 104 claims which adjoin the Croinor property.

(b) Tex-Sol Property, Bourlamaque Township, Quebec:

The Company owns a 100% interest in 10 claims.

(c) West Gore, Hants County, Nova Scotia:

The Company owns 100% in an exploration license comprising 16 claims, subject to a 10% net profits interest.

(d) Macassa Creek, David Lakes Townships, Ontario:

The Company owns a 100% interest in 24 mineral claims, which are subject to a 1.5% net smelter return.

(e) Missing Lake, Point Isacor and Mishubishu Lake Townships, Ontario:

The Company owns a 100% interest in 12 mineral claims and a 50% interest in one mineral claim.

4. *Capital assets:*

	2001	2000
Mining equipment	\$ 20,000	\$ 20,000
Office and other equipment	45,818	45,818
	65,818	65,818
Accumulated depreciation	57,994	54,641
	\$ 7,824	\$ 11,177

5. *Income taxes:*

Future income tax assets:	
Future site restoration	\$ 27,469
Tax losses	324,838
Mineral properties	2,817,768
Future income tax asset	3,170,075
Valuation allowance	(3,170,075)
Net future income tax asset	\$ —

At December 31, 2001, the Company has non-capital losses of approximately \$780,000 expiring at various dates to December 31, 2006. At December 31, 2001, the Company has resource deductions relating to mineral properties of approximately \$7,568,000. This includes approximately \$1,795,000 of Canadian Development Expense, approximately \$2,092,000 of Canadian Exploration Expense and approximately \$3,681,000 in successor tax pools, all of which are subject to confirmation by taxation authorities.

6. *Share capital:*

Authorized:

The authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series.

7. *Financial instruments:*

The carrying amount of short-term deposits, accounts receivable and accounts payable and accrued liabilities approximate the fair value because of the near-term maturity of those instruments.

The fair value of marketable securities is considered to be equal to the market value of securities which is disclosed on the face of the consolidated balance sheet.

The fair value of the note payable is not practicably determinable as it is non-interest bearing with no fixed terms of repayment.

Corporate Information

Directors

Andrew S. Burgess
Vice-President,
Huntington Exploration Inc.

John A. Pope
President,
Huntington Exploration Inc.

C. Alan Smith
President,
Aeonian Capital Corporation

William H. Smith, Q.C.
Partner,
McCarthy Tétrault LLP
Barristers & Solicitors

Officers

C. Alan Smith
Chairman

John A. Pope
President and Chief Executive Officer

Andrew S. Burgess
Vice President and Chief Financial Officer

William H. Smith, Q.C.
Corporate Secretary

Head Office

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Legal Counsel

McCarthy Tétrault LLP
Calgary, Alberta

Auditors

KPMG LLP
Calgary, Alberta

Transfer Agent and Registrar

Computershare Investor Services Inc.
Calgary, Alberta

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